

Service Date: July 10, 1998

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF US WEST)	UTILITY DIVISION
COMMUNICATIONS, INC., EAS)	
True-Up Rate Reduction and Refund)	DOCKET NO. D98.5.100
)	ORDER NO. 6073a

IN THE MATTER OF US WEST)	UTILITY DIVISION
COMMUNICATIONS, INC., Review of)	
Yellowstone EAS Region)	DOCKET NO. D97.10.206
)	ORDER NO. 6074a

FINAL ORDER

Introduction

1. On February 21, 1997, in PSC Docket No. D95.10.146, Order No. 5889b, and PSC Docket No. D95.10.147, Order No. 5890b (combined orders), the Montana Public Service Commission (PSC) approved telephone extended area service (EAS) for certain U S West Communications, Inc. (USW), regions and exchanges in Montana. The approved EAS was implemented by USW in the various regions and exchanges between May 1997 and November 1997.

2. PSC approval of EAS included a requirement that a rate true-up be submitted by USW six months following USW's completed implementation. Docket No. D98.5.100 pertains to that EAS true-up. At the time EAS was approved the PSC also anticipated that there might be requests for modification of one or more of the approved EAS regions, particularly USW's Yellowstone EAS Region (Gardiner, West Yellowstone, and Yellowstone National Park exchanges). Docket No. D97.10.206 pertains to a request for modification of that region.

3. On May 13, 1998, the PSC issued a Notice of Application and Intervention Deadline concerning the above-entitled matters (in regard to the Yellowstone EAS Region the

Notice applied to EAS phase II, cost analysis and rate design, as EAS phase I of that proceeding, the community of interest phase, had previously been completed). The Montana Consumer Counsel (MCC) was the only person requesting intervention in response to the above Notice. After reviewing the matters, the MCC advised the PSC that it would not be filing testimony or requesting a hearing. No other interventions or requests for hearing were submitted. The time for intervention, requests for hearing, and receipt of comments having expired, the PSC now determines that the above-entitled matters can be decided without further proceedings.

Findings of Fact

4. In regard to the EAS rate true-up (Docket No. D98.5.100), USW proposes a \$.24 decrease to the monthly \$2.55 EAS increment. As a part of the true-up USW also proposes a one-time refund to EAS customers, the amount of the refund varying between about \$2.40 and \$3.79, depending on the date EAS was initially implemented in the regions and exchanges affected. The refund amount is also subject to some adjustment, depending on the actual date of implementation of the refund following this Order.

5. The PSC determines that USW's EAS true-up rate decrease is supported by the record and the \$.24 decrease to the monthly EAS increment results in reasonable and just rates. The PSC also determines that USW's EAS true-up rate refund is supported by the record and will result in reasonable and just rates through reimbursement of previous overcollections resulting from inaccuracy in the initial EAS increment.

6. In regard to modification of USW's Yellowstone EAS Region (D97.10.206), the options being considered by the PSC include: preserving the Yellowstone Region's existing EAS arrangement; returning the region to its pre-EAS calling arrangement; or combining the region with USW's Bozeman/Livingston EAS Region. The last option also includes deployment of message delivery service to host switches in Billings, Hamilton, Helena, and Livingston.

7. The PSC determines that preserving the Yellowstone EAS Region's existing EAS arrangement is not an option which is in the public interest. The record demonstrates that most, if not all, customers in the region are dissatisfied with the existing arrangement and believe that it is of little or no benefit to them. The PSC also determines that returning the region to its pre-

EAS calling arrangement would deny the customers in the region the benefits and conveniences of EAS, which the record reflects they are as much entitled as the customers in the other approved USW EAS regions in the state.

8. The PSC determines that combining USW's Yellowstone EAS Region with USW's Bozeman/Livingston EAS Region is supported by the record and is in the public interest. The resulting \$.13 increase to the monthly EAS increment results in reasonable and just rates. The accompanying deployment of message delivery service to host switches in Billings, Hamilton, Helena, and Livingston is also in the public interest.

Conclusions of Law

9. The applications pertaining to the above-entitled matters are proper in form and have been properly noticed and processed in accordance with applicable provisions of Title 69, MCA (Public Utilities), Title 2, Chapter 4, MCA (MAPA), ARM Title 3, Chapter 2 (PSC Procedural Rules), ARM Title 3, Chapter 5, Sub-Chapter 13 (PSC EAS Rules), and previous orders of the PSC which may bear on the matters presented.

10. USW is a public utility regulated by the PSC pursuant to Title 69, Chapter 3, MCA. The matters presented in the above-entitled dockets are matters over which the PSC has jurisdiction pursuant to Title 69, Chapter 3, MCA.

11. The rates proposed by USW in regard to the EAS true-up rate decrease and refund are reasonable and just in accordance with § 69-3-201, MCA. The rates proposed for combining USW's Yellowstone EAS Region with the Bozeman/Livingston EAS Region are reasonable and just in accordance with § 69-3-201, MCA.

ORDER

12. Effective on or before September 1, 1998, USW shall implement: the EAS true-up rate decrease of \$.24 to the existing monthly EAS increment; the EAS true-up one-time refund, adjusted as necessary to properly reflect the actual implementation date; and consolidation of the Yellowstone EAS Region with the Bozeman/Livingston EAS Region, with its corresponding \$.13 increase to the existing monthly EAS increment. USW shall also begin implementation of

the deployment of message delivery service to the host switches in Billings, Hamilton, Helena, and Livingston. At a reasonable time prior to implementation of each of the above-referenced items USW shall inform the PSC of the expected implementation date of each item and shall file tariffs reflecting the resulting rate changes.

Done and dated this 7th day of July, 1998, by a vote of 5-0.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

DAVE FISHER, Chair

NANCY MCCAFFREE, Vice Chair

BOB ANDERSON, Commissioner

DANNY OBERG, Commissioner

BOB ROWE, Commissioner

ATTEST:

Kathlene M. Anderson
Commission Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.